



Report To: **COUNCIL**

File ref : _____

Collaborator/Item no: _____

Date: **30 MARCH 2017**

SUBJECT: TABLING OF THE DRAFT INTEGRATED DEVELOPMENT PLAN (IDP) AND MTREF BUDGET 2017/18 TO 2019/20 FOR ADOPTION

REPORT DATED 28 MARCH 2017 FROM THE EXECUTIVE MAYOR TO COUNCIL

PURPOSE

The purpose of this item is to table the Draft IDP and MTREF Budget for 2017/18 to Council for **ADOPTION**, in terms of Section 16(2) of the Municipal Finance Management Act No. 56 of 2003.

LEGAL COMPLIANCE

Municipal Finance Management Act No. 56 of 2003, and various Circulars from National Treasury.

BACKGROUND

Chapter 5 of the Municipal Systems Act 32 of 2000 requires that the Draft IDP and Draft Budget be tabled simultaneously in a Council meeting at least 90 days before commencement of a financial year for approval, and the purpose of this item is to comply with that legislative requirement. Efforts have been made to ensure that there is a link between the IDP document and the Draft Budget for the same year, more especially on externally funded projects.

Section 16(2) of the Municipal Finance Management Act No. 56 of 2003 states the following: "The mayor of the municipality must table the **draft** annual budget at a council meeting at least 90 days before the start of the budget year (meaning that on or before the end of March as the municipal financial year commences from 1st July of each year)". Section 17 of the Municipal Finance Management Act further requires the municipality to ensure that the budget is based on realistically anticipated revenue for the budget year, from various revenue sources.

The attached draft budget summary, which indicates various sources of revenue such as electricity, water, refuse charge, general rates, sewerage charge, grants and subsidies, etc., is attempting to address the requirements of Section 17 of the MFMA. The attached budget documents are not finally funded yet as the budget is at a draft stage, however, as the budget had to be finally approved before